



**Director of
Central
Intelligence**

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***Tuesday
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SITUATION REPORT

AFGHANISTAN

The Soviet and Afghan Government offensive in eastern Afghanistan continues to make headway, but the city of Jalalabad apparently still has not been brought under government control.

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there continues to be particularly intense fighting in the Konar Valley area, where Soviet and Afghan forces are taking substantial casualties as they push the insurgents out of the valley. Press reports indicate that, in addition to Konarha, Laghman, and Nangarhar Provinces, Soviet and Afghan forces have also begun offensive operations in Paktia Province.

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The Soviets apparently have opted to leave responsibility for security in the city of Jalalabad itself to the Afghans. Most of the city's shops remain closed, there is no telephone service or electric power, Afghan Government personnel cannot move about the city freely, and there evidently are still nightly gun battles between government forces and the insurgents.

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Kabul was quiet over the weekend, perhaps as a result of intensified government security measures. Strikes have resumed, however, in the cities of Qandahar and Herat.

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BRIEFS AND COMMENTS

PORTUGAL: Political Infighting

Prime Minister Sa Carneiro is attempting to gain political mileage by taking on President Eanes and leftist critics in the military. [redacted]

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In parliament last Thursday, Sa Carneiro accused leftist military leaders of trying to sabotage the government, and called for the election of a president who would side with the government. His attack was prompted by press reports that some leftists in the President's military advisory board--the Revolutionary Council--were discussing methods of toppling his conservative government. [redacted]

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[redacted] Sa Carneiro's attack probably was aimed at putting leftist military leaders on the defensive while discomfiting Eanes at the same time. [redacted]

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Sa Carneiro's attack on Eanes is the first open dispute between them since the new government was sworn in early this year. Eanes believes that the rightist government will further polarize the country and hurt the poor, while Sa Carneiro suspects the President of siding with the left and seeking to undermine the government. Both have an eye on the presidential and legislative elections that must be held later this year. [redacted]

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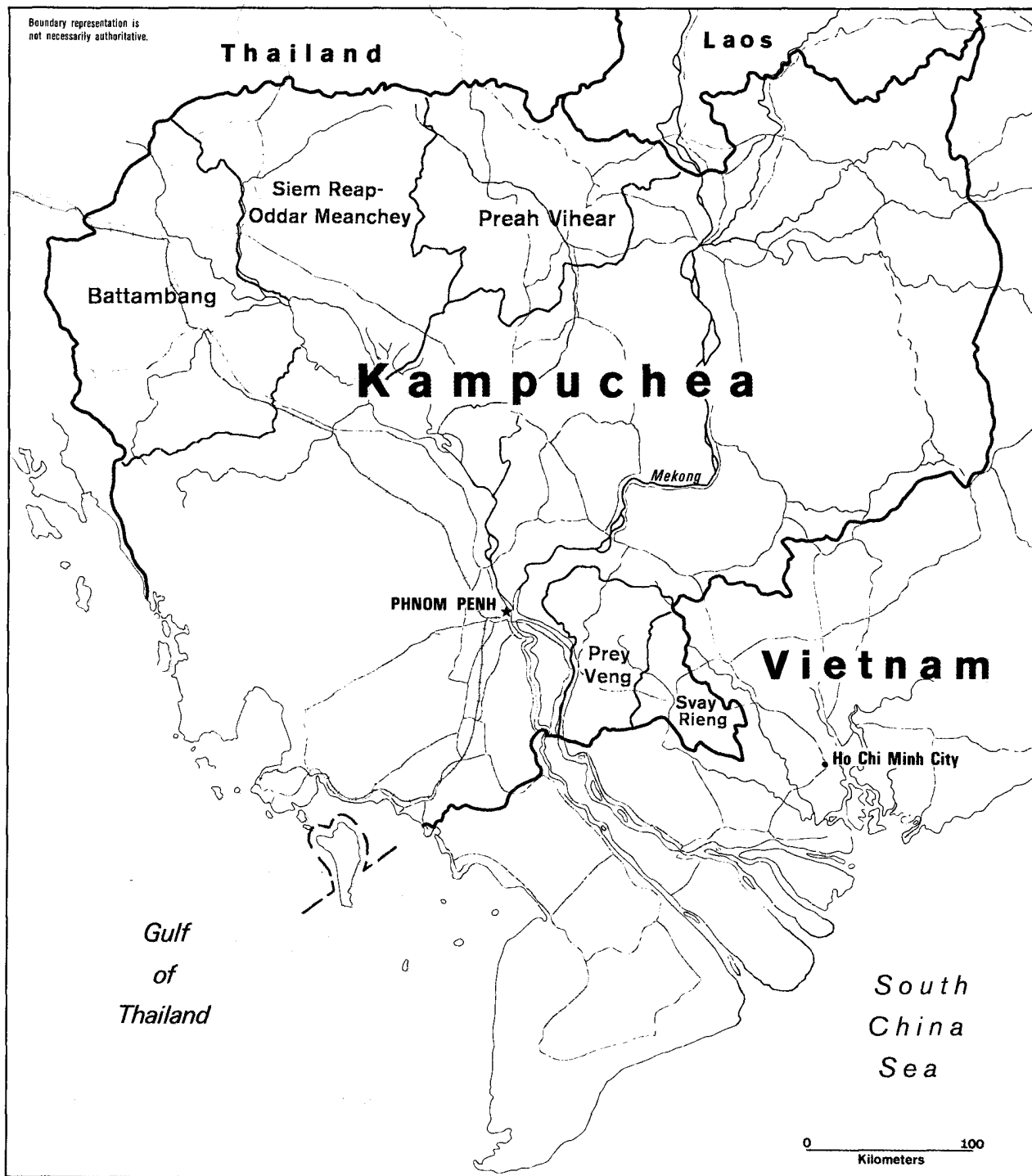
Further clashes are likely between the Sa Carneiro government and President Eanes. Disputes between Eanes and Sa Carneiro could also divide the military, whose leaders are more in tune with Sa Carneiro's political philosophy while remaining loyal to Eanes--who also serves as chief of staff. [redacted]

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KAMPUCHEA: Food Shortages

Increasing numbers of Kampuchean refugees arriving at the Thai border report that food supplies in Kampuchea are almost exhausted. Refugees from Preah Vihear, Siem Reap - Oddar Meanchey, and Battambang Provinces have stated that rice from the December-January harvest has been almost completely consumed and that some people are subsisting on berries and rice husks. More than 10,000 refugees from Battambang Province alone reached the border area in late February, and travelers from as far east as Svay Rieng and Prey Veng Provinces also are arriving at the Thai border seeking food. Most refugees report receiving little or no food from the distribution of relief supplies by the pro-Vietnamese government in Phnom Penh.

[redacted]

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SPAIN: Basque Parliamentary Elections

The moderate Basque Nationalist Party is likely to attempt to govern alone following its surprisingly strong showing in the Basque parliamentary elections on Sunday. With 25 out of the 60 seats, the party will be able to put together floating majorities on most issues and will be in a strong position to deal with the central government in Madrid. The impressive support for the radical Basque coalitions Euskadiko Ezkerra and Herri Batasuna--which won six and 11 seats respectively--will put additional pressure on the Basque Nationalists to take a tough line with Madrid on the autonomy issue. The national parties did not fare well: the Socialists obtained nine seats and Prime Minister Suarez's Union of the Democratic Center only six. Both parties probably were hard hit by voter abstention, which hit a new high of 42 percent.

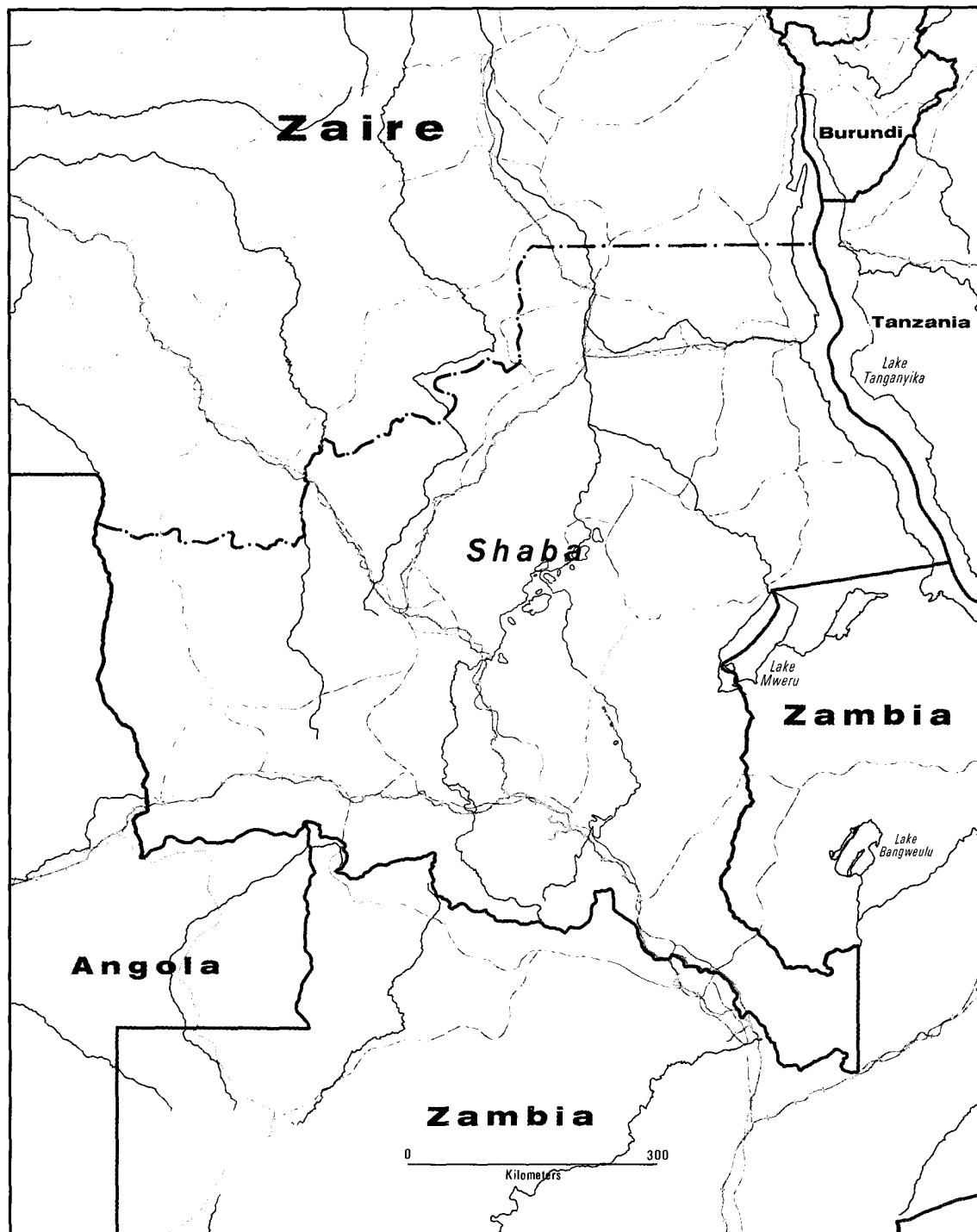
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SPECIAL ANALYSIS

IRAN: The Assembly Election and the Hostages

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Ayatollah Khomeini's decision to continue to give the National Assembly responsibility for the fate of the hostages threatens to introduce new complications into the power struggle in Iran. There is little reason to believe that the Assembly--which will not meet until April--will choose to release the hostages without further US concessions unless it has direct orders from Khomeini. Meanwhile, the election for the Assembly will be a crucial test of President Bani-Sadr's ability to consolidate his hold on power.

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Bani-Sadr's supporters are said to believe that if he fails to gain a majority in the Assembly, he will not be able to function as president. Although the President has refused to set up his own political party, he organized a "Congress of the Iranian Islamic Revolution" in early February to help mobilize support for candidates favorable to him. Bani-Sadr apparently has failed, however, to persuade the Revolutionary Council to eliminate the runoff round of voting on 3 April, following a preliminary round on Friday.

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Most of Bani-Sadr's opposition comes from Ayatollah Beheshti's Islamic Republic Party. Beheshti and his hard-line supporters expect to do better in the legislative election than they did in the presidential voting last month, and hope thereby to reduce Bani-Sadr to a figurehead.

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the Islamic Republic Party will benefit from the runoff system, and several senior party officials, including Ayatollah Rafsanjani and Ayatollah Khamanei, have resigned cabinet positions in order to run. One party leader recently said that the party will contest every seat in the Assembly.

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The outcome of the election will be further complicated by the participation of the radical Mujahedin guerrillas, the leftist Fedayeen group, and numerous minority candidates. The largest Kurdish organization, the Kurdish Democratic Party, is backing the Mujahedin's candidates. The pro-Soviet Tudeh Party and Admiral Madani's supporters are also putting forward slates of candidates. In all, over 1,000 candidates have filed for 270 seats.

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Khomeini has said little about the election beyond the comment that the candidates should be "good Muslims." He may intervene as he did in the presidential vote, however, by disqualifying leftist candidates. The Ministry of Interior has already omitted some Tudeh and Fedayeen candidates from electoral lists, but there has not been a formal ban of the left.

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Prospects

If Khoemini does not intervene, the most likely outcome of the election is a divided Assembly, unsure of its responsibilities and eager to establish its revolutionary credentials. The constitution gives the Assembly responsibility for determining its own internal regulations, and the legislators will have to spend some time on these. The Assembly will also have to approve a prime minister named by Bani-Sadr--a task that could prove difficult if the Islamic Republic Party has a majority.

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Regardless of their political loyalties, the legislators probably will want to move cautiously on the hostage issue and not get too far in front of Khomeini. They may delay any decision by initiating an investigation of the US and the Shah; the constitution gives the Assembly authority to conduct investigations of national problems.

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In any case, Khomeini could overrule the Assembly. many Iranian clerics already believe that he will do so if the legislature makes an unpopular decision.

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Constitutional Powers

The Iranian constitution gives executive power to the supreme religious leader (Ayatollah Khomeini), the President, and the Prime Minister, but it is deliberately vague about many aspects of the power relationships among them. If Bani-Sadr can select a Prime Minister with close ties to himself, the President's position will be strengthened. If the Islamic Republic Party can block his nominee in the Assembly, Bani-Sadr probably will lose much of his authority. Whatever the case, Khomeini will retain ultimate power and can overrule all others. [redacted]

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If Khomeini chooses, he can refer any Assembly decision on the hostages to the Council of Guardians--composed of six clerics and six lawyers--which is responsible for overseeing all legislation. Khomeini has so far appointed the six clerics himself; they are primarily members of the Qom Theological Society, a hard-line group that was among the earliest backers of the Embassy takeover. The six lawyers are to be appointed by the Assembly. [redacted]

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The President cannot move too quickly toward release of the hostages without risking Khomeini's wrath. Moreover, the Supreme Court--headed by Beheshti--may charge the President with violating his duties toward the Assembly and recommend to Khomeini that the President be dismissed. The situation, therefore, is ripe for continued temporizing by Khomeini. [redacted]

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[redacted]

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